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July 13, 2013

Dear Ms. Bitter Smith;

I never thought that APS was such an incompetent organization as to not be able to project future costs incurred by the use of Solar Power even though it has known since 2006 that it would have to provide 15% of its power through alternative means by 2025. It seems that APS has been rigidly sticking to an antiquated business plan of the 1970's that was predicated upon uninterrupted growth.

Now that APS has tempted tens of thousands of customers to conserve energy by subsidizing CFL bulbs, promoting energy audits and offering rebates for solar installation under a mandate that was proposed years ago, APS suddenly realized that each solar user is costing APS \$1,000.00 year and those "losses" were being subsidized by non-solar users. Is APS losing 100's of thousands of dollars because several 10 thousand users went solar? How about the solar farms that APS owns? I think that the math is fictitious.

APS proposes to eliminate net metering. It purchases power from other sources, why not their customers? APS seems to have backtracked by grandfathering present solar users while charging new solar users a penalty of \$50.00 to \$100.00 per month. This is preposterous, especially since the Commission is promoting Solar on their web-site

Is APS that incompetent that it didn't do proper planning or is the greed showing? The value of the stock is important and although that is certainly a valid concern, poor execution of the state mandate by the utility should not result in penalizing those who purchased solar power, for whatever reason.

APS wants to avoid "skyrocketing rates for customers without solar". The questions remains, why are rates skyrocketing? What has changed except an increase in conservation of energy and the use of alternative power which has been promoted by the utilities? Oh yes, I forgot. I just read that the wholesale price of electricity has dropped 20%. That's called supply and demand, however, we are dealing with a monopoly so that doesn't count.

It may be that APS costs of operations have increased, but then it has had price increases along the way. If APS is selling less and charging more, that means it has to make some cuts, not raise prices again. An organization that didn't plan or even anticipate such changes in its operations caused by events that it participated in should be replaced; as should its Board of Directors for their lack of oversight.

Since APS is a monopoly, it is incumbent upon our elected officials at the ACC not to rubber stamp the attempt to increase profits by increasing prices in an obvious obfuscation of the truth. As consumers, we have no choice but to stay with our utility, but as voters, we have a choice. Commissioners and spokesmen for the electorate, you too have a choice.

Chris Kulpinski
Supplier to APS of Solar Power
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Arizona Corporation Commission

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